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TAGS: [PGOV](#) [PHUM](#) [KIRF](#) [ENRG](#) [ECON](#) [VM](#)
SUBJECT: NORTHWEST DAM PROJECT "ON TRACK," WITH SOME FINE TUNING OF
RESETTLEMENT PLAN

REF: 06 HANOI 739

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Summary -----

1. (SBU) According to local media reports and Post contacts, the Son La Province hydropower dam project is on schedule, together with the resettlement of the 100,000 ethnic minorities whose villages are located behind the dam. The GVN denies that some resettled villagers have returned home, asserting instead (perhaps over-optimistically) that it has improved the resettlement program and will meet its goal of resettling all concerned by 2010. End Summary.

Project Facts -----

2. (SBU) On January 9, Vietnamese media reported that the Son La Province dam project, in Vietnam's Northwest Highlands, is "currently on track to be completed as scheduled." This announcement was based on a report done by the project's Prime Minister-led Steering Committee, which concluded that the project is "slightly delayed," but "can still stay essentially on schedule." The Son La project officially began on December 2, 2005, with a total investment capital of VND 38 trillion VND (USD 2.4 billion), with VND 28 trillion (USD 1.8 billion) for construction and equipment installation and the remaining VND ten trillion (USD 628 Million) committed to paying for the resettlement of the over 100,000 people living in the valley behind the dam. Half of the resettlement fund comes from State-owned enterprise Electricity Vietnam's (EVN) budget and the other half comes from the GVN. According to contacts familiar with the project, the GVN hopes that its half of the resettlement budget will have the additional benefit of boosting the economy of the impoverished region, particularly Son La, Lai Chau and Dien Bien provinces.

3. (SBU) The Son La hydropower project is divided into three sub-projects: the Ministry of Industry is responsible for the construction of the plant and equipment installation; the Ministry of Transportation is overseeing the construction of roads in the resettlement areas; and, the Ministry of Agriculture and Rural Development (MARD) is in charge of the resettlement of people displaced by the project. In 2004, the GVN determined that 18,897 households living behind the dam needed to be resettled. (Note: Our contacts report that the actual number is 19,669 households, with 12,247 households in Son La Province, 3,350 in Lai Chau Province, and 3,840 in Dien Bien Province. Some 94 percent of those households being displaced in Son La, Dien Bien and Lai Chau are ethnic minority households, mostly White Thai. End Note.)

Fine Tuning the Resettlement Plans

¶4. (SBU) Two pilot resettlement projects were carried out from the end of 2001 to the beginning of 2004 in Tan Lap District, Son La Province, and in Sipanhin District, Dien Bien Province. Nguyen Van Dzu, who oversees MARD's Office of Resettlement for the Son La project, told us that the GVN drew "many valuable lessons from these two pilot resettlements." For example, the GVN now no longer chooses resettlement sites for people or builds houses for them. Instead, those slated for resettlement now can choose where they want to live, and the GVN puts together a detailed plan for the new village and gives the villagers money to build their own houses. While the pilot programs were underway, the GVN also worked to prepare the new villages' infrastructure, including construction of roads, water pumping stations and house foundations. Resettlement finally began in earnest in 2005.

Obstacles to Resettlement

¶5. (SBU) In addition to logistical hurdles such as preparing and planning land for cultivation, irrigation and electrical distribution, "the most difficult work has been to convince people to resettle in new places," Dzu acknowledged. Asked about reports that some villagers had returned to their previous residences after some months at the resettlement site, Dzu responded that the media reports were inaccurate. "These people did not return to live but rather to continue to use the land there," he said. "There is nothing wrong with their new homes." In fact, Dzu boasted, some people who had disagreed with, or demonstrated against, the resettlement scheme have now become pioneers in carrying out the resettlement work. (Note: Son La provincial authorities have ignored our repeated requests for more information about these reports. End Note.)

¶6. (SBU) To date, 3,762 households have been resettled as of December 31, 2006, with an additional 7,182 households scheduled to

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be moved. The GVN is on track to complete resettlement by the planned 2010 date, Dzu said.

¶7. (SBU) Vu Thi Tam Dzan of Electricity Vietnam's Son La project also described for PolOff additional ways in which the GVN has tried to adjust the resettlement program based on lessons learned in the pilot project. MARD has set up a special fund in which resettled households have an allotment of VND 500 million (USD 31,000) each, but which cannot be tapped all at once. In addition, the GVN will pay to actually transport a family's home rather than build a new one (if so desired), while local People's Committees have been provided funds to build home foundations, she added.

Comment

¶8. (SBU) As noted in reftel, the Son La project's resettlement of ethnic minority villages is proving hugely disruptive of traditional societies in the Northwest Highlands. Despite official optimism that the resettlement program is now popular and on track, given the problems we observed in March 2006, reports of continuing problems -- such as resettled villagers returning home -- cannot be discounted. End Comment.

MARINE